

Sharing tip jar with a supervisor

I'm a barista at a locally owned cafe with a big tip jar at the register. Our supervisor never works the coffee bar. We have an active snack menu and more, so he's usually elsewhere (but still working with customers). Is it right for him to share in the tip-jar money?

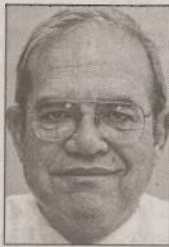
N. Douglas Grimwood
Grimwood Law Firm

The federal Fair Labor Standards Act would cover a barista only if the employer grossed over \$500,000 per year.

If there is coverage, then the federal regulations permit a frontline supervisor to participate in a tip pool only if the supervisor is performing work that substantially interacts with the public to ensure quality of service and works in a position that customarily receives tips and is not a member of senior management.

If a supervisor is improperly participating in a tip pool, the remedy is to eliminate the "tip credit" your employer takes for your tips toward its obligation to pay the minimum wage.

Your employer would then have to pay you the difference between the federal minimum



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Amy Lieberman

wage (\$7.25 per hour) minus the cash wages the employer was already paying you. For more detailed information, call the Wage and Hour Division of the Department of Labor, 602-514-7100.

Arizona law forbids a requirement that a supervisor be paid a "fee or gratuity" by an employee as a condition of employment.

Amy Lieberman
Insight Employment Media-tion

Tip pooling is an area of the law that has received a lot of attention recently.

The U.S. Department of Labor issued new regulations regarding tip pooling effective May 2011, and courts in several states have considered ques-

tions similar to yours.

For example, the California Court of Appeals recently ruled that it was permissible, under state law, for Starbucks baristas and shift supervisors to share in a tip pool because the supervisors, like the baristas, were part-time hourly employees and part of the team that regularly provided service to customers.

The Arizona regulation does not specifically preclude supervisors from sharing in the pool. Courts that have considered similar questions have generally recognized that tips may be shared by a team of service employees who regularly and customarily interact with customers, such as servers, counter personnel, bartenders and bus people.

Since your supervisor is usually working with customers and is part of the team providing service, it is permissible for him to share in the tip jar.

— Compiled by
Patricia Bathurst

Send questions to
asktheexperts1@gmail.com or
Ask the Experts, 200 E. Van
Buren St., Phoenix, AZ 85004.

Run rate measures current sales level

By The Motley Fool
UNIVERSAL PRESS SYNDICATE

Question: What's a "run rate?"

Answer: Imagine studying the financial statements of Porcine Aviation (ticker: PGFLY), which is growing very rapidly. If you want to estimate its current annual level of sales, you could add up the last four quarters' worth, but that would clearly understate sales, as each quarter's numbers have been rising. You need a run rate.

Take the most recent quarter's sales of \$50 million (up from \$45 million the quarter before and \$41 million before

that). Multiply that by four, and you'll have the company's current run rate for sales: \$200 million. This is not a forecast or a measure of past sales; it's a reflection of the current level of annual sales.

Q: What is "dollar-cost averaging"?

A: It's the practice of building a position in an investment over time by investing a certain dollar amount regularly. For instance, you might purchase \$360 worth of stock in Acme Explosives Co. (ticker: KBOOM) every three months. You'd do this regardless of the stock price — for example, buying 12 shares when the price is

\$30 and 10 shares when it's \$36.

The beauty of this system is that when the stock slumps, you're buying more, and when it's pricier, you're buying less. It's a good way to accumulate shares if your budget is limited or if you're not confident enough to invest a big chunk of money all at once. (Keep your commission costs in check, though!)

Buying stock regularly through dividend reinvestment plans or direct investing plans is a form of dollar-cost averaging. Learn more about them at www.fool.com/School/DRIPs.htm, www.dripinvesting.org, and www.dripinvestor.com.

SIMPLE STEPS 2

When: 6-9 p.m. Tuesday.

Where: Gateway Community College, 108 N. 40th St., Phoenix.

Agenda: This is the second class of a five-step series that helps prospective business owners identify target markets, describe products and services, and collect competitive information to support a feasibility plan. Register online. Presented by Greater Phoenix Score.

Cost: \$35.

Information/registration: www.scorearizona.org. 602-745-7250.

ARIZONA ASSOCIATION FOR ECONOMIC DEVELOPMENT NETWORKING LUNCHEON

When: 11 a.m.-1:15 p.m. Tuesday.

Where: Crowne Plaza Hotel, 4300 E. Washington St., Phoenix.

Agenda: The discussion will focus on economic impact of the immigration debate on large conventions in the Valley. Guest speaker will be Steve Moore, president/CEO of Greater Phoenix Convention & Visitors Bureau. Community Spotlight will be John Chan, Phoenix Convention Center.

Cost: \$40 for members, \$50 for non-members and late registrants. Registration deadline is Friday, Sept. 9 at noon. Please request vegetarian meal in advance.

Information/registration: Call AAED with questions at 602-240-AAED (2233), or visit www.aaed.com.

SCOTTSDALE ELITE NETWORKING

When: 7-8:30 a.m. Wednesdays, through Oct. 26.

Where: Paradise Bakery and Cafe, 8777 N. Scottsdale Road, Suite 302, Scottsdale.

Agenda: Meet with other business professionals on Wednesdays to collaborate and share ideas of how to make each other more money. Bring 50 business cards and prepare a one-minute presentation about your business. Call or email lklauber@cox.net to RSVP.

Cost: \$10.

Information/registration: scottsdaleelite-networking.com/. 480-694-3660.

COFFEE CLUB

When: 8:30-9:30 a.m. Thursdays, through Nov. 17.

Where: Rustic Cafe, 20811 N. Cave Creek Road, Suite 104, Phoenix.

Agenda: Join David Dreas, a financial advisor from Edward Jones, the first and third Thursday of the month for an informal gathering where financial advisers provide updates on the stock market and the economy in a relaxed environment. Call to reserve a seat.

Cost: Free.

Information/registration: 602-482-0168.

DOBSON RANCH TOASTMASTERS

When: 6:30-8 a.m. Thursdays, through Nov. 24.

Where: Dobson Ranch Golf Course, 2155 S. Dobson Road, Mesa.

Agenda: This professional networking group meets at 6:30 a.m. Thursdays. Guests are welcome.

Cost: Free.

Information/registration: 480-644-2291.

FISH TALES TOASTMASTERS

When: noon Thursdays, through Nov. 24.

Where: Game and Fish Department Headquarters, 5000 W. Carefree Highway, Phoenix.

Agenda: Discover public speaking talents,